

Senate Bill No. 308

(By Senators Cann, Plymale, Williams, McCabe, Stollings and
Fitzsimmons)

[Introduced January 9, 2014; referred to the Committee on
Education; and then to the Committee on Finance.]

**FISCAL
NOTE**

A BILL to amend the Code of West Virginia, 1931, as amended, by
adding thereto a new article, designated §18B-11C-1,
§18B-11C-2, §18B-11C-3, §18B-11C-4 and §18B-11C-5, all
relating to the creation of the Shale Research, Education,
Policy and Economic Development Center at West Virginia
University.

Be it enacted by the Legislature of West Virginia:

That the Code of West Virginia, 1931, as amended, be amended
by adding thereto a new article, designated §18B-11C-1, §18B-11C-2,
§18B-11C-3, §18B-11C-4 and §18B-11C-5, all to read as follows:

**ARTICLE 11C. SHALE RESEARCH, EDUCATION, POLICY AND ECONOMIC
DEVELOPMENT CENTER AT WEST VIRGINIA UNIVERSITY.**

§18B-11C-1. Purpose.

1 (a) Advancements in technology have resulted in the efficient
2 development of abundant natural gas and oil resources contained in
3 underground shales and other geologic formations in the State of
4 West Virginia. These resources have the potential to generate
5 jobs, stimulate economic activity, ensure energy security, reduce
6 carbon and other emissions and provide significant revenues to the
7 State of West Virginia.

8 (b) The Legislature finds that the development of the Shale
9 Research, Education, Policy and Economic Development Center at West
10 Virginia University is in furtherance of the university's land
11 grant status and allows the State of West Virginia to focus on the
12 prudent development and regulation of natural gas and liquid
13 hydrocarbon from the shale resources in West Virginia and
14 throughout the world.

15 (c) This center will provide an opportunity for West Virginia
16 University to partner with industry and government bodies in the
17 State of West Virginia, nationally and internationally to explore
18 opportunities and engage in scientific research and development of
19 shale resources.

20 (d) The center shall pursue independent, objective
21 research-driven analysis to achieve the following:

22 (1) To improve the efficient development of shale resources;

23 (2) To generate and document best practices covering
24 environmental, safety, business and health practices;

1 (3) To advance environmental performance by garnering industry
2 and regulatory commitment;

3 (4) To improve transparency of the data and process, and
4 develop effective outreach and engagement of affected communities;

5 (5) To protect the environment of the State of West Virginia
6 and beyond by minimizing methane, carbon dioxide and any other
7 potential emissions; and

8 (6) To structure legal frameworks and policies to promote
9 prudent development of and access to the state's resources.

10 (e) The center shall have a flexible structure to accommodate
11 the needs of the state, West Virginia University and its partners
12 in government and industry. This will be achieved through:

13 (1) Investment by state and federal sources in strategic
14 research;

15 (2) Focused, cofunded research and development programs
16 sponsored by West Virginia University, government and industry
17 partners;

18 (3) Industry-funded applied research; and

19 (4) Specialized services for government and industry partners.

20 **§18B-11C-2. Creation of the Shale Research, Education, Policy and**
21 **Economic Development Center at West Virginia**
22 **University.**

23 (a) In furtherance of the purpose set forth in section one,
24 there is created a research, education and economic development

1 entity known as the Shale Research, Education, Policy and Economic
2 Development Center at West Virginia University.

3 (b) West Virginia University shall use its research
4 capabilities, including, but not limited to:

5 (1) Technologies for efficient resource assessment and
6 efficient extraction, such as various improvements to extraction
7 technologies, earth imaging and other technologies to map,
8 evaluate, and assess resources and understand geoprocesses; models
9 to predict and manipulate multiphase fluid flow including gas,
10 liquid hydrocarbons and hydraulic fracture fluids; and water life
11 cycle analysis from source through staging, use, wastewater
12 recycling and treatment.

13 (2) Environmental and economic impacts, such as fuel cycle
14 analysis; construct state-wide baselines for water and air quality;
15 control of emissions and fuel waste in all cycles of energy
16 production and delivery; policy analysis to facilitate cost
17 effective permitting, industry management, regulation and
18 acceptance, improved gathering, storage, analysis, transparency,
19 and access of energy data to serve government, industry, and the
20 public.

21 (3) Human dimensions, such as workforce development via K-12
22 and college programming specializing in energy and environment
23 fields; analysis of public health risks and promotion of best
24 practices to protect public health and work place health and

1 safety; transparent and effective communication strategies to
2 establish shared understandings of expectations and awareness of
3 issues and facts; and assist state agencies including the West
4 Virginia Department of Environmental Protection, West Virginia
5 State Tax Division, the West Virginia Geologic and Economic Survey
6 to develop a transparent, efficient and effective environment to
7 manage the state's oil and natural gas resources for the benefit of
8 all the state's citizens, thus ensuring that development of these
9 resources is tracked and followed accurately and further ensuring
10 that appropriate revenue streams are captured by the state and that
11 royalties to mineral lessors are appropriately protected;
12 development of best business practices in aid and assistance of
13 developing a robust and prudently positioned industry in the state,
14 and; tracking and analyzing the economic impact and effect of the
15 industry upon the state.

16 **§18B-11C-3. Definitions.**

17 As used in this article:

18 "Board" means the West Virginia University Board of Governors.

19 "Center" means the Shale Research, Education, Policy and
20 Economic Development Center at West Virginia University.

21 **§18B-11C-4. Powers and duties of the Board of Governors and Shale**

22 **Research, Education, Policy and Economic**

23 **Development Center at West Virginia University.**

1 Notwithstanding any other provision of this code to the
2 contrary, the board is authorized to operate the center to further
3 the purpose set forth in section one of this article, including:

4 (1) Either the acquisition by purchase, lease, gift or
5 otherwise, of necessary lands and the construction of necessary
6 buildings, appropriate industrial operations equipment;

7 (2) The expansion, remodeling, altering or equipping of
8 necessary buildings;

9 (3) The making of contracts with any state, county or
10 municipal agency or private entity necessary and incidental to the
11 performance of its powers and duties under this section;

12 (4) Providing for the equipment, expenses, compensation of
13 personnel, operation and maintenance of any facility of an agency
14 or institution used for the purposes of this article; and

15 (5) Cooperating with other agencies of the state, county and
16 federal governments.

17 **§18B-11C-5. Rules.**

18 The board may make and adopt rules and standards for the
19 establishment, operation, cost reimbursement, fees for services,
20 maintenance and government control of the center established
21 pursuant to this article, including rules and standards necessary
22 for cooperation under and compliance with any existing or future
23 federal statutes pertaining to grants-in-aid and other rules
24 necessary to effectuate the purpose of this article.

NOTE: The purpose of this bill is to create the Shale Research, Education, Policy and Economic Development Center at West Virginia University. The center will foster scientific research and encourage partnerships between and among West Virginia University, government, and industry in an effort to develop best practices in relation to shale resources in West Virginia.

This article is new; therefore, strike-throughs and underscoring have been omitted.